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A STUDY OF CENTERS, CHANNELS, TRADES,
AND TECHNIQUES OF CLANDESTINE WEST-EAST TRADE

(D/S Project No. 110.1)

Purpose of Study

1. The purpose of this Study, as stated in the terms of reference, is:
 - a. To determine and portray textually and diagrammatically the principal locations and main avenues of clandestine West-East trade, including centers of middlemen, financing, and shipping; sources of commodities; points of diversion; and channels for particular commodity movements, and
 - b. To indicate the firms and individuals involved and the techniques employed in each trade.
2. The term "clandestine West-East trade" is used herein to denote "the movement of commodities (and the furnishing of services) to the Soviet bloc in violation or evasion of the system of security trade controls and ancillary measures agreed among the United States and cooperating nations of the free world," as set forth in the terms of reference. The commodities (and services) included in the Study are any controlled items "anywhere in the free world which are destined for the European Soviet bloc or bound for Communist China". The period covered extends from the beginning of 1951 to date, with the emphasis on the latest information available.

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3. This report on the Study is divided into the following sections in general consonance with the approved terms of reference:

- a. Purpose of Study.
- b. East-West Trade Policy.
- c. Soviet Bloc Procurement Organization.
- d. Centers of Middlemen and Methods of Violation and Evasion.
- e. Transportation Centers and Routes (Including Sources of Commodities and Points of Diversion).
- f. Financing of West-East Trade.

4. This Study is a pilot survey or cross-sectional investigation to accomplish in a general way the purpose outlined above. It is believed, however, that the sources and methods used have produced valid conclusions which would be substantially supported by more exhaustive research and more scientific methods.

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